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IN THE

Supreme Court of the United States

OCTOBER TERM, 1950.

No. 563

A. C. MERRICK AND JOHN R. KNEEBONE, D/B/A BROOKFIELD LABORATORIES,

Petitioners,

against

SHARP AND DOHME, INCORPORATED,

Respondent.

TO THE UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT.

PETITION AND BRIEF FOR WRIT OF CERTIORARI.

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SHARP AND DOHME, INCORPORATED,

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TO THE UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT.

PETITION FOR WRIT OF CERTIORARI.

To the United States Court of Appeals for the Seventh Circuit.

To the Honorable Chief Justice and the Associate Justices of the Supreme Court of the United States:

Petitioners, A. C. Merrick and John R. Kneebone, doing business as Brookfield Laboratories, respectfully petition this Court to issue a writ of certiorari to review a judgment of the United States Court of Appeals for the Seventh Circuit finally entered on December 22, 1950.

STATEMENT OF THE MATTER INVOLVED.

The matter before this Court concerns the interpretation of the Declaratory Judgment Act, 28 U. S. C. Section 2201, the court below having given the Act such a restricted construction as to deny Petitioners relief in this action and thereby denying Petitioners relief in all tribunals.

On March 16, 1948, the Respondent informed Petitioners that Petitioners' trade mark and Respondent's trade marks were confusingly similar and were used on goods having the same descriptive properties, that Respondent used its marks prior to Petitioners' use of their mark and that Respondent would be damaged by Petitioners' use of their trade mark. Petitioners, believing that these statements constituted a charge of infringement and a direct threat to their business, filed a complaint, pursuant to the Declaratory Judgment Act, 28 U. S. C. Section 2201, seeking a declaration of their rights.

The statements made by the Respondent were set forth in a notice of opposition which was filed in the United States Patent office, a copy of which was sent to Petitioners.

The District Court for the Northern District of Illinois, Eastern Division, held that the statements made by Respondent constituted a charge of infringement and that there was a "justiciable controversy" between Petitioners and Respondent under the Declaratory Judgment Act, 28 U. S. C. Section 2201. (The District Court opinion is reported at 89 F. Supp. 139 and at 84 U. S. P. Q. 182. An earlier decision on a motion to dismiss and to the same effect is reported at 82 U. S. P. Q. 4.) The District Court then granted the relief requested by Petitioners, finding

that Petitioners did not infringe Respondent's trade marks and that they were entitled to use their trade mark. The United States Court of Appeals for the Seventh Circuit reversed the District Court, 88 U. S. P. Q. 145. The Court of Appeals held that the statements made by Respondent did not constitute a charge of infringement and that, therefore, there was no justiciable controversy under the Declaratory Judgment Act, 28 U. S. C. Section 2201, the apparent basis for the holding being that the Act is to be given such a limited construction as to preclude its application to the existing controversy between Petitioners and Respondent because the statements were made in a notice of opposition.

JURISDICTION.

The suit in the District Court was brought under the provisions of the Declaratory Judgment Act, 28 U. S. C. Section 2201 and under 28 U. S. C. Section 1332 which establishes jurisdiction on the basis of diversity of citizenship when the matter in controversy, exceeds, exclusive of interest and costs, the sum or value of three thousand dollars. The jurisdictional amount and diversity of citizenship were established. In addition, jurisdiction was alleged under the Trade-Mark Law of 1946, Section 32 (1), 15 U. S. C. Section 1114 (1).

From the decision of the District Court, appeal was taken to the Court of Appeals for the Seventh Circuit pursuant to 28 U. S. C. Sections 1291, 1294. The Court of Appeals for the Seventh Circuit reversed the District Court on December 22, 1950. A petition for rehearing was filed on January 3, 1951, and was denied on January 19, 1951.

THE QUESTIONS PRESENTED.

1. Did the statements made by Respondent constitute a charge of infringement which is within the scope of the Declaratory Judgment Act, 28 U. S. C. Section 2201?

2. Assuming that a charge of infringement was made, is the scope of the Declaratory Judgment Act, 28 U. S. C. Section 2201, to be so restricted as to prevent Petitioners from settling the controversy, created by Respondent, merely because the charge was made in a statutory proceeding, particularly when Petitioners cannot settle the controversy in the statutory proceeding and have no other way to settle the controversy?

REASONS RELIED ON FOR ALLOWANCE OF THE WRIT.

1. The question involved is of substantial importance since it involves the Federal Declaratory Judgment Act, 28 U. S. C. Section 2201 and, particularly, since the Court of Appeals for the Seventh Circuit has substantially limited the scope of the Declaratory Judgment Act and has taken a step backward in the development of the Act by denying all forums to a litigant for settling an existing controversy.

2. The Court of Appeals for the Seventh Circuit has curtailed the scope of the Declaratory Judgment Act without citation of any authority and contrary to the well recognized and long established principle that the Declaratory Judgment Act should be construed liberally and, *a fortiori,* the Act should be available to enable the plain-

tiff to settle a controversy which he has no other way of settling. The decision of the Court of Appeals for the Seventh Circuit permits a controversy to continue and damages to accumulate, contrary to the intent of the Declaratory Judgment Act and all of the authorities of which Petitioners are aware, which contemplate easy and quick settlement of controversies by declaratory procedure to prevent the accrual of avoidable damages and to eliminate an existing threat to business.

3. The Court of Appeals has set forth in its opinion many statements which are in conflict with certain decisions of this Court and long established principles of law. If these statements are allowed to stand, unreversed, much confusion will exist in the law.

4. It has become common practice for trade mark owners to file notices of opposition to registration of trade marks in the Patent Office, the notices alleging statutory and common law trade mark infringement by the applicant for registration. Since the Patent Office is a mere administrative tribunal, any decision on the question of infringement affects only the right of registration and is in no way binding on the parties or the courts in an infringement suit which, incidentally, the opposer may file and prosecute regardless of the opposition proceedings, and even after he is defeated in the Patent Office opposition proceedings. As a result of the allegations in the notice of opposition, which may be based on the flimsiest facts, the applicant's business is seriously threatened and, although put on notice of infringement, the applicant, by the decision under review, is left without recourse to adjudicate the controversy even though damages may be accruing. It is submitted that it is a matter of great public importance for the applicant to have access to a tribunal in which to settle a charge of infringement made by an opposer in his

notice of opposition. If the decision of the Court of Appeals for the Seventh Circuit is allowed to stand, it will control the District Courts in the Seventh Circuit and will influence the Courts of Appeal and the District Courts in the other circuits of the United States. As a result, many applicants for trade mark registration in the Patent Office will be denied a mutuality of remedies because they cannot bring any action to settle the controversy and they will be left with damages possibly accruing against them and with a serious continuing threat against their business.

DARK PAGE BLEED THRU

BRIEF IN SUPPORT OF PETITION.

The facts:

This case is before the Court on the question of the jurisdiction of the District Court and, consequently, is a question of law. The pleadings and record establish the following facts:

1. Petitioners applied for registration of their trade mark "Sulfodene" in the United States Patent Office on August 27, 1947. Pursuant to statute, Trade Mark Act of 1946, Section 12 (a), 15 U. S. C. Section 1062 (a), the Commissioner of Patents found the trade mark registrable and published it in the Official Gazette of the United States Patent Office on February 17, 1948.

2. On March 16, 1948, Respondent filed, in the United States Patent Office, a notice of opposition to the registration of Petitioner's trade mark. The notice of opposition stated, in part:

> "3. The applicants' (Petitioners') trade mark and the above trade marks (SULFATHALIDINE and SULFASUXDINE) of the opposer (Respondent) are used upon similar goods or goods of the same descriptive properties.
>
> "4. The applicants' (Petitioners') trade mark is confusingly similar to the above trade-marks of the opposer (Respondent).
>
> "5. The applicants' (Petitioners') claimed date of first use, April, 1946, is subsequent to the first use of the above trade-marks owned by Sharp and Dohme, Incorporated (Respondent).
>
> "6. Because of the use of a trade-mark by the applicant, consisting of the word SULFODENE, the trade and the public, upon seeing applicants' (Petitioners') goods are likely to be confused and misled into the

belief that applicants' (Petitioners') goods are manufactured and sold by the opposer (Respondent), to the damage of the opposer (Respondent)."

3. In the opposition proceedings, Respondent took no testimony and offered no evidence other than certified copies of its registrations and certain dictionary definitions within the judicial knowledge of the Patent Office. Nevertheless, the Examiner of Interferences, in the Patent Office, denied registration of Petitioners' mark.

4. The Petitioners, believing that they had been charged with infringement of Respondent's trade mark by the statements in the notice of opposition, filed the present action in the United States District Court, Northern District of Illinois, Eastern Division before Judge Barnes. Judge Barnes agreed that Petitioners had been charged with infringement, 82 U. S. P. Q. 4, and, on January 3, 1950, granted the declaratory relief sought, 89 F. Supp. 139.

5. The Commissioner of Patents, in the person of the Assistant Commissioner, reversed the Examiner of Interferences and handed down a decision allowing Petitioners to register their mark, 85 U. S. P. Q. On June 22, 1950, Respondent filed an original action in the United States District Court, Northern District of Illinois, Eastern Division, pursuant to R. S. 4915, 35 U. S. C. Section 63 seeking to prevent registration of Petitioners' mark.

6. Respondent appealed to the Court of Appeals for the Seventh Circuit, seeking a reversal of the District Court's judgment granting declaratory relief. The Court of Appeals reversed the District Court on December 22, 1950, holding that the statements in the notice of opposition did not constitute a charge of infringement and, consequently, that there was no justiciable controversy under the Declaratory Judgment Act, 28 U. S. C. Section 2201, 88 U. S. P. Q. 145. Rehearing was denied by the Court of Appeals on

January 19, 1951. The apparent basis for the Court's holding was that the scope of the Declaratory Judgment Act is not sufficient to embrace the controversy between Petitioners and Respondent, because the statements of Respondent were made in a notice of opposition.

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ARGUMENT.

Proposition 1.

The Statements Made by Respondent in the Notice of Opposition Were Clearly a Charge of Infringement Both Under the Trade Mark Act of 1946, 15 U. S. C. Section 1051, Et Seq., and at Common Law.

Petitioners used their mark in commerce (R. 35) and Respondent stated to Petitioners that Petitioners' mark is confusingly similar to Respondent's marks, that Petitioners' mark is used upon similar goods, or goods of the same descriptive properties as Respondent's, that Respondent used its marks prior to Petitioners' use, and that Petitioners' use of their mark is likely to cause confusion and mislead the public into the belief that Petitioners' goods are manufactured and sold by Respondent, to the damage of Respondent (R. 40). These statements include every element of statutory trade-mark infringement as will be clearly apparent by reference to the Trade Mark Act of 1946, Section 32 (1), which specifies in part:

> "Any person who shall, in commerce, (a) use * * * any * * * colorable imitation of any registered mark in connection with the sale * * * of any goods * * * in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods * * * shall be liable to civil action by the registrant * * *" 15 U. S. C. Section 1114 (1).

Clearly, if the statements made by Respondent are proved, Petitioners are liable. Therefore, the statements obviously establish a charge of infringement. It is neither just, fair, nor equitable for Respondent to make its charge

and not be subject to the Declaratory Judgment Act, 28 U. S. C. Section 2201, which is specifically applicable to "actual controversies."

The statements also clearly constitute a charge of common law infringement, common law infringement being defined in the following cases: *Armstrong Co.* v. *Nu-Enamel Corp.*, 305 U. S. 315, 336 (1938); *Synchromatic Corp.* v. *Eureka Williams Corp.*, 174 F. 2d 649 (C. A. 7, 1949); *California Fruit Growers Exchange* v. *Windsor Beverages*, 118 F. 2d 149, 152 (C. C. A. 7, 1941); *Cole* v. *American Cement and Oil Co.*, 130 F. 703, 705 (C. C. A. 7, 1904); also see *Mishawaka Manufacturing Company* v. *Kresge Co.*, 316 U. S. 203, 205 (1941). In addition, see *Nims, Unfair Competition and Trade-Marks*, 4th ed. (1947), 667, *et seq.*

Proposition 2.

A Charge of Trade Mark Infringement Establishes a Justiciable Controversy Under the Declaratory Judgment Act, 28 U. S. C. Section 2201.

The above proposition was established in *Synchromatic Corp.* v. *Eureka Williams Corp.*, 174 F. 2d 649 (C. A. 7, 1949); *Merrimac Hat Corp.* v. *Crown Overall Mfg. Co.*, 91 F. Supp. 49 (D. C. N. Y., 1950). This principle is in accord with many patent cases, such as *Dewey & Almy Chemical Co.* v. *American Anode*, 137 F. 2d 68 (C. C. A. 3, 1943); *Federal Telephone and Radio Corp.* v. *Associated Telephone and Telegraph Co.*, 169 F. 2d 1012 (C. C. A. 3, 1948).

Therefore, the Court of Appeals was without question clearly in error in stating that "the Notice of Opposition * * * is not a claim of infringement, or an assertion that infringement is threatened or has actually occurred," that "the Notice of Opposition here involved did not constitute a charge of infringement," and that there was "no justiciable controversy between" Respondent and Petitioners.

Proposition 3.

There Is No Sound Reason for so Restricting the Scope of the Declaratory Judgment Act so as to Deny Petitioners the Right to Settle the Controversy Created by Respondent.

There seems to be unanimity of opinion that the Declaratory Judgment Act, 28 U. S. C. Section 2201, should be liberally construed and many decisions have reflected this approach to the Act, *Dewey and Almy Chemical Co.* v. *American Anode*, 137 F. 2d 68, 70 (C. C. A. 3, 1943); *Oil Workers Int. Union* v. *Texoma Natural Gas Co.*, 146 F. 2d 62, 65 (C. C. A. 5, 1945); *Maryland Casualty Co.* v. *Boyle Const. Co.*, 123 F. 2d 458, 565 (C. C. A. 4, 1941); *Arkansas Power and Light Co.* v. *F. P. C.*, 156 F. 2d 821, 831 (C. A. D. C., 1946); *Reliance Life Ins. Co.* v. *Burgess*, 112 F. 2d 234, 238 (C. C. A. 8, 1940). Also, see *Borchard, Declaratory Judgments*, 1st ed., 1934, viii.

It is true that certain limitations have been placed upon the Act by the language of the Act itself, to be specific, tax proceedings (it is considered important that this is the only explicit limitation), and by judicial construction to prevent interference with state court proceedings, as for example in *Maryland Casualty Co.* v. *Boyle Const. Co.*, 123 F. 2d 558 (C. C. A. 4, 1941), and to bar interference with administrative tribunals, such as in *Aircraft and Diesel Corp.* v. *Hirsch*, 331 U. S. 752 (1947). However, in all of these cases there was a tribunal in which the existing controversy could be settled. This case is not within these decisions.

Petitioners know of no case, since the Declaratory Judgment Act was passed, except the instant case, where an actual controversy existed and one party was effectively denied access to any and all tribunals capable of settling

the controversy. To permit the relations between Petitioners and Respondent to be so uncertain, to prevent Petitioners from quieting their title in their trade-mark under which they carry on their small business, and to allow damages to accrue and accumulate against Petitioners, is contrary to every recognized tenet of declaratory procedure, *Dewey and Almy Chemical Co.* v. *American Anode,* 137 F. 2d 68 (C. C. A. 3, 1943); *Edlemann & Co.* v. *Triple A Specialty Co.,* 88 F. 2d 852 (C. C. A. 7, 1937); *Delaney* v. *Carter Oil Co.,* 174 F. 2d 314 (C. A. 10, 1949). Since there is no administrative or other remedy, Petitioners must be able to bring the present action, and this has been established in *Steele* v. *Louisville and Nashville Railroad Co.,* 323 U. S. 192, 207 (1944); *United Public Workers of America* v. *Mitchell,* 330 U. S. 75 (1947); *Hillsborough Twp.* v. *Cromwell,* 326 U. S. 620 (1945).

Aside from a matter of law and policy, there is no reason as a matter of statutory construction for holding the Trade Mark Act of 1946, 15 U. S. C. Section 1051, *et seq.,* insofar as opposition proceedings, Trade Mark Act of 1946 Section 13, 15 U. S. C. Section 1063, are concerned, to be mutually exclusive of the Declaratory Judgment Act, 28 U. S. C. Section 2201. Opposition proceedings have been permitted since 1905, Acts Feb. 20, 1905, c. 592, Sections 6 and 7, 33 Stat. 726, and declaratory proceedings have been maintainable since 1934, Acts June 14, 1934, c. 512, 48 Stat. 955.

Congress reconsidered the trade-mark statute several times and in 1946 enacted a new statute, 15 U. S. C. Section 1051, *et seq.* There is no suggestion in the hearings and proceedings relative to passage of the Trade Mark Act of 1946 that the Declaratory Judgment Act is inapplicable to opposition proceedings, Trade Mark Act of 1946, Section 13; 15 U. S. C. Section 1063, under the Act. Moreover, the Declaratory Judgment Act was reconsidered and

amended by Congress in 1935, Acts Aug. 30, 1935, c. 829, Section 405, 49 Stat. 1027 and was thoroughly considered and amended in connection with the new Judicial Code, Title 28 of U. S. Code. Again, there is no suggestion that the Declaratory Judgment Act is, in any way, mutually exclusive from the Trade Mark Act of 1946.

Opposing counsel and the Court of Appeals have cited no authority or any manifestation of Congressional intent to exclude opposition proceedings from the operation of the Declaratory Judgment Act. It is submitted, therefore, that the two statutes are to be construed in *pari materia* and that, when so construed, opposition proceedings, in which there is a charge of infringement, subject the opposer to declaratory proceedings. There is no basis for excluding charges of infringement made in opposition proceedings from the Declaratory Judgment Act.

Proposition 4.

The Instant Action Is Only Directed to the Question of Infringement (It Is Not an R. S. 4915 Proceeding), Which Question the Patent Office Has Not the Power to Determine. Hence, No Decision in This Action Can Interfere With the Administrative Functions of the Patent Office and, if the Present Action Is Not Allowed, Petitioners Are Denied All Tribunals in Which to Obtain a Decision on the Question of Infringement.

Opposition proceedings merely determine the right to register trade marks, *Ruth Co.* v. *Curtis Co.*, 49 F. 2d 1033, 1034 (C. C. P. A., 1931), and do not concern any question of infringement, *White Co.* v. *Vita-Var Corp.*, 182 F. 2d 217 (C. C. P. A., 1950). Moreover, findings made in opposition proceedings are not *res judicata* between the parties in court proceedings, *Synchromatic Corp.* v. *Eureka Wil-*

liams, 174 F. 2d 649 (C. C. A. 7, 1949), and findings made by the courts in infringement proceedings are not *res judicata* in opposition proceedings, *Alumatone Corp.* v. *Vita-Var Corp.,* 183 F. 2d 612 (C. C. P. A., 1950). Thus, infringement proceedings do not affect the administrative functions of the Patent Office, and in this connection see particularly *Van Camp Sea Food Co.* v. *Westgate,* 48 F. 2d 950 (C. C. P. A., 1931). (It is interesting to note that the Commissioner of Patents ignored the decision of the District Court in his opinion, 85 U. S. P. Q. 82, though the District Court opinion preceded the Commissioner's opinion.) As a result, any findings in the instant proceedings could not affect the Commissioner's exercise of discretion, and Petitioners can get no relief from Respondent's charge of infringement in the opposition proceedings. The declaratory procedure must not be closed to Petitioners or they are without remedy.

Proposition 5.

The Court of Appeals Has Made Several Misstatements of the Law Which Reflect a Misunderstanding of the Instant Case and Which Should Be Corrected to Prevent Confusion in the Law.

In the first place, the Court of Appeals states that the "Courts of the United States have no jurisdiction over registration proceedings except that appellate jurisdiction given them by the Trade Mark Act." This is not correct. The Court of Customs and Patent Appeals is the only Court having appellate jurisdiction in opposition proceedings, Trade Mark Act of 1946, Section 21; 15 U. S. C. Section 1071; 35 U. S. C. Section 59a, R. S. 4911; *Hoover Co.* v. *Coe,* 325 U. S. 79, 83 (1944). A district court's jurisdiction may be invoked by a dissatisfied party in the Patent Office by filing an original suit under 15 U. S. C. Section 1071;

35 U. S. C. Section 63; R. S. 4915, whereupon a trial *de novo* is had, *Hoover Co.* v. *Coe,* 325 U. S. 79, 83 (1944); *Globe Union, Inc.* v. *Chicago Telephone Supply,* 103 F. 2d 722, 724 (C. C. A. 7, 1939). The proceeding is not generally appellate in character, it is an original suit in a constitutional court.

In the second place, the Court of Appeals also stated that the "United States courts in exercising such jurisdiction as is given them in registration proceedings under the Trade Mark Act, are as part of the machinery of the Patent Office." This is also incorrect. It might be fairly said that the Court of Customs and Patent Appeals is part of the "machinery of the Patent Office" but a United States District Court acts as an independent tribunal exercising its independent judgment based on the proofs made in that court (and not in the Patent Office), *International Standard Elec. Corp.* v. *Kingsland,* 169 F. 2d 890 (C. A. D. C., 1948).

Thirdly, in support of the foregoing statement, the Court of Appeals cited four irrelevant decisions, *Atkins* v. *Moore,* 212 U. S. 285; *Baldwin* v. *Howard,* 256 U. S. 35; *Postum Cereal Company* v. *California Co.,* 272 U. S. 693; and *John Morrell & Co.* v. *Doyle,* 97 F. 2d 232 (C. C. A. 7, 1938), which are based upon a different statute, *viz.,* the Act of February 20, 1905, 33 Stat. 728, Section 9, which has been modified by 35 U. S. C. Section 59a, subsequent to the first three of the four cited cases (the fourth case cited is not in point) and long prior to the instant case.

Fourthly, the Court of Appeals asserts that opposition proceedings are not "private litigation." Opposition proceedings are commenced by filing the equivalent of a complaint, *Rules of Practice in Trade Mark Cases,* Rule 20, followed by an answer, id. Rule 20.5. The proceedings are subject to the general rules of evidence and generally follow the Federal Rules of Civil procedure, id. Rule 23.1. It

is submitted that the Court of Appeals is in error in differentiating opposition procedure from private litigation.

In the fifth instance, the Court of Appeals states that opposition proceedings are held in the "public interest." This is not believed correct, and the Court cites no authority for its position. The Patent Office first acts in the public interest, as it did in this case, to determine whether the mark is registrable, Trade Mark Act of 1946, Section 12(a), 15 U. S. C. Section 1062a, and only after it has found the mark registrable is it published, id. Then an opposer can assert his private interest, but may only do so if he believes that he will be damaged, Trade Mark Act of 1946, Section 13, 15 U. S. C. Section 1063. The opposer is not a public representative, as the Court of Appeals asserts, but is merely acting in his own interest, *Frankfort Distilleries* v. *Dextora Co.*, 103 F. 2d 924, 928 (C. C. P. A., 1939).

Finally, the Court of Appeals has committed additional errors as demonstrated in its opinion. For example, the Court states that the exhibits establish that the notice of registration is affixed to each of Respondent's labels. In fact, Respondent introduced no evidence and the record is wholly lacking in proof that Respondent affixed notices to labels which it used. In addition, the Court of Appeals inserts in its opinion a citation from Hopkins, *Trade Marks, Trade Names and Unfair Competition*, 4th ed. (1924), regarding costs. The question of costs was never raised in this litigation.

These many errors in trade mark law are minor when compared to the summary manner in which the Court of Appeals has restricted the scope of the Declaratory Judgment Act, but it is believed that these errors buttress a doubt that the Court of Appeals fully understood this case.

Conclusion.

The statements made by Respondent to Petitioners, as a matter of law, unquestionably constitute a charge of infringement and would normally create a justiciable controversy under the Declaratory Judgment Act. There is no sound reason as a matter of law, policy, or statutory construction, for limiting the scope of the Declaratory Judgment Act to prevent Petitioners from settling the existing controversy merely because the charge of infringement was made in an opposition proceeding. To the contrary, there is every reason for permitting the present action because, if the action is not allowed, Petitioners have no tribunal in which the controversy may be settled, damages may be accruing against Petitioners, and the basic purposes of the Declaratory Judgment Act are thwarted.

The Court of Appeals for the Seventh Circuit has erroneously and seriously curtailed the Declaratory Judgment Act, and, it is submitted, should be reversed. To this end, a writ of certiorari is prayed.

Respectfully submitted,

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Feb. 15, 1951.

Office - Supreme Court, U.S.
FILED
MAR 5 1951
CHARLES ELMORE CROPLEY

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1950

No. 563

A. C. MERRICK and JOHN R. KNEEBONE, d/b/a BROOKFIELD LABORATORIES,

Petitioners

vs.

SHARP & DOHME, INCORPORATED,

Respondent

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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Summary of Argument

Unless the filing in the Patent Office of a notice of opposition to the registation of a trade-mark creates an actual controversy within the jurisdiction of a federal district court under the Declaratory Judgment Act, the complaint should have been dismissed, as the Court of Appeals correctly held.

Before a trade-mark can be registered it is published in the Official Gazette so that registration may be opposed by any person who believes he would be damaged by it. The ground usually alleged is confusion in trade; that the mark sought to be registered so resembles the opposer's mark "as to be likely, when applied to the goods of the applicant, to cause confusion or mistake or to deceive purchasers". The only issue involved in an opposition is the applicant's right to register the opposed mark; his right to use it is *not* involved.

Nevertheless, the opposer must allege confusion in trade if his notice of opposition is not to be held fatally defective. This is not a charge of infringement or a threat of suit, and in any event the allegation is privileged. The opposer's interest lies in forestalling registration that would give the applicant, become registrant, *prima facie* exclusive rights to a mark confusingly similar to the opposer's mark. An opposition is, therefore, a defensive move on the part of the opposer.

Opposers perform a useful public service by aiding the Patent Office in keeping unregistrable marks off the register. This service is performed in the hope of avoiding future litigation at the instance of the applicant, become registrant. But if the mere filing of an opposition based on the confusion-in-trade clause of the Act is to subject the opposer to an immediate declaratory judgment

action at the instance of the applicant, fewer oppositions will be filed and the purpose of publication largely frustrated.

The Declaratory Judgment Act was never intended by Congress to circumvent the statutory activities of administrative agencies. If the mere filing of an opposition under the confusion-in-trade clause of the Trade-Mark Act creates an actual controversy within the jurisdiction of a federal district court under the Declaratory Judgment Act, then the applicant may always effectively oust the jurisdiction of the Patent Office in the opposition by suing the opposer for declaratory judgment. By the Trade-Mark Act of 1946, Congress has given the Patent Office the exclusive authority to register trade-marks and to conduct opposition proceedings. A statutory review by a federal district court is provided in the form of an action *de novo* under R. S. 4915, but this action will not lie until the Patent Office has rendered its final decision. Declaratory judgment should not be used to short-circuit the Patent Office.

Petitioners beg the question by assuming that the confusion-in-trade allegations of a notice of opposition do constitute a charge of infringement and a threat of suit. Reasoning from this premise they conclude that an actual justiciable controversy has been created. But the premise being false, so is the conclusion.

Petitioners have given no good reason—and we know of none—why this Court should allow certiorari. The Court of Appeals for the Seventh Circuit correctly decided that the confusion-in-trade allegations of a notice of opposition, essential for making out a case in the Patent Office, do not constitute a charge of infringement and a threat of suit. In so deciding the Court followed a precedent established by the Court of Appeals for the

Second Circuit in an earlier case. Thus there is harmony between the two circuits and no conflicts have been cited. Having found no threat of suit, the Court of Appeals correctly held that there was no actual controversy within the jurisdiction of the District Court, and correctly decided that petitioners had failed to make out a case under the Declaratory Judgment Act.

DARK PAGE BLEED THRU

ARGUMENT

THE COURT OF APPEALS, in the opening paragraph of its opinion (R. 112), succinctly stated the question involved in this litigation:

> "Does the filing in the Patent Office of a statutory notice of opposition to the registration of a trade-mark, which opposition is based upon the confusion-in-trade clause of the statute, create an actual controversy between the parties justiciable by a Federal Court under the Declaratory Judgment Act?"

The answer to this question depends upon the answer to another and more fundamental question:

> "Do the confusion-in-trade allegations of a statutory notice of opposition constitute a charge of infringement and a threat of suit?"

The District Court had answered these questions in the affirmative. The Court of Appeals answered them in the negative and reversed the District Court. We think that the District Court was wrong, that the Court of Appeals was right, and that there is no good reason why this Court should allow the writ prayed for. But before we can intelligently appraise the situation we must first understand what a trade-mark opposition is and what it is not, and to this task we will now address ourselves.

THE NATURE OF A TRADE-MARK OPPOSITION.

The Trade-Mark Act of 1946 provides for the registration of trade-marks used in commerce which may be lawfully regulated by Congress, prescribing the requirements for registration and the procedure to be followed in achieving it. Excerpts from relevant sections follow:

Sec. 1. Requirements for registering trade-marks on the principal register

The owner of a trade-mark used in commerce may register his trade-mark under this Act on the principal register* hereby established:

(a) By filing in the Patent Office—

(1) a written application, in such form as may be prescribed by the Commissioner, . . . (15 U. S. C. 1051).

Sec. 2. Trade-marks registrable on the principal register

No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it— . . .

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent Office or a mark or trade name previously used in the United States by another and not abandoned, as to be likely when applied to the goods of the applicant, to cause confusion or mistake or to deceive purchasers . . . (15 U. S. C. 1052).

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* Marks registered on the supplemental register (Secs. 23-28) are not published for opposition; hence the supplemental register provisions may be disregarded.

Sec. 12 (a). Examination of application—Publication of mark when entitled to registration

Upon the filing of an application for registration and payment of the fee herein provided, the Commissioner shall refer the application to the examiner in charge of the registration of marks, who shall cause an examination to be made and, if on such examination it shall appear that the applicant is entitled to registration, the Commissioner shall cause the mark to be published in the Official Gazette of the Patent Office (15 U. S. C. 1062a).

Thus it is the duty of the Patent Office to refuse registration of a mark which so resembles a previous mark owned and in use by another "as to be likely, when applied to the goods of the applicant, to cause confusion or mistake or to deceive purchasers."

But trade-mark examiners, being human, are fallible, and under the pressure of *ex parte* prosecution, sometimes hold registrable, marks that should not be registered. To guard against such errors, as well as may be, the Act provides in section 12 (a), quoted above, that before a mark is registered it shall be published for opposion in the Official Gazette of the Patent Office and the aid of an alert and interested public enlisted in an effort to keep unregistrable marks off the register. Thus—

Sec. 13. Opposition to registration of marks on the principal register

Any person who believes that he would be damaged by the registration of a mark upon the principal register may, upon payment of the required fee, file a verified notice of opposition in the Patent Office, stating the grounds therefor, within thirty days after the publication under subsection (a) of section 12 of this Act of the mark sought to be registered . . . (15 U. S. C. 1063).

Thus, as the Court of Appeals said (R. 119):

> "The opposition proceeding before the Patent Office is of an administrative nature. It is held in the interest of the public with the Patent Office as the public's representative."

Although no grounds for opposition are prescribed (nor were any prescribed in the opposition section of the 1905 Act), the ground most frequently alleged and sustained is confusion in trade; that the opposed mark so resembles opposer's mark, previously used, "as to be likely, when applied to the goods of the applicant, to cause confusion or mistake or to deceive purchasers", and that therefore the opposer believes he would be damaged by the registration of the opposed mark. In short, the opposer, stimulated by his own self-interest, becomes a voluntary but invaluable aid to the Patent Office in the discharge of its statutory duty, and should, by all means, be encouraged in the performance of this laudable public service.

Just what *is* the self-interest that spurs the opposer to scorn delights and live laborious days as an unpaid adjunct to the examining corps of the Patent Office? Simply this: registration of the opposed mark would vest the applicant, become registrant, with *prima facie exclusive* rights to the use of the mark (15 U. S. C. 1057 (a), Sec. 7a), rights that might in time become incontestable (15 U. S. C. 1065; Sec. 15). Thus registration would put an offensive weapon in the applicant's hands, a weapon that might, conceivably, be used *against* the opposer. Much better that the weapon be denied the applicant in the first place than wrested from him in some future infringement suit in which the opposer would be the *defendant.*

But an opposition can never serve as substitute for an infringement suit in which the opposer would be the *plaintiff.* If the applicant's *use* of his mark offends the opposer he must sue for infringement; he will get no

such relief in an opposition where the only issue involved is the applicant's right to *register* his mark. By the very terms of the statute under which an opposition is brought, the Patent Office has no power to determine anything else, as the Court of Customs and Patent Appeals and the Commissioner have frequently observed. And even if the Patent Office were so fatuous as to pass on conflicting rights to use, it would be impotent to enforce its judgments.

In *George H. Ruth Candy Co.* v. *Curtiss Candy Co.*, 49 F. 2d 1033, 1034, CCPA, May 27, 1931, the Court said:

> "We would emphasize the fact that the proceeding before us is statutory, and the question of whether appellant has the right to use said mark is not before us. We simply hold, for the reason hereinbefore stated, that appellant's mark is not registerable under the provisions of said section 5."

In *White Rock Mineral Springs Co.* v. *Adolph Neurad*, 33 USPQ 413, Com. Pat., May 3, 1937, the Commissioner said:

> "Considerable stress is placed upon petitioner's alleged right to use his mark on the goods described in his application, and the asserted fact that opposer is estopped to question such right. This, however, is a matter that may not be determined by the Patent Office. The Commissioner has jurisdiction to decide only an applicant's statutory right to register a trade-mark, and not his right to its use."

Again in *General Motors Corp.* v. *The B. A. Wesche Electric Co.*, 70 USPQ 454, 455, Com. Pat., August 14, 1946, the Commissioner said:

> "Because 'applicant has used the trade mark in the sale of its motors since June, 1918, without protest from the opposer', it is argued that opposer

> is estopped by laches to maintain this proceeding. But while it may well be that opposer has lost the right to prevent applicant's use of its mark, it seems clear that the doctrine of laches is inapplicable to opposer's statutory right of opposition. Manifestly the application to register could not be opposed until filed, nor could opposer be damaged by the proposed registration unless it issued. And applicant's right to use the mark is not here in question. *All that is decided is that applicant's ownership is not exclusive, and that opposer would thus be damaged were the registration granted, which would constitute 'prima-facie evidence of ownership'.*" (Italics ours.)

Although these cases were decided under the 1905 Act, they state the law as it exists under the 1946 Act, which made no change in the nature of an opposition.

Oddly enough, petitioners are in accord, writing under Proposition 4, on page 14 of their brief:

> "Opposition proceedings merely determine the right to register trade marks, *Ruth Co.* v. *Curtiss Co.*, 49 F. 2d 1033, 1034 (C. C. P. A. 1931), and do not concern any question of infringement, *White Co.* v. *Vita-Var Corp.*, 182 F. 2d 217 (C. C. P. A., 1950)."

But if "opposition proceedings merely determine the right to register trade-marks . . . and do not concern any question of infringement", then obviously

THE CONFUSION-IN-TRADE ALLEGATIONS IN A NOTICE OF OPPOSITION DO NOT CONSTITUTE A CHARGE OF INFRINGEMENT AND A THREAT OF SUIT.

As the Court of Appeals correctly held (R. 118):

> "A notice of opposition, in proper form, should not be construed to be a charge of infringement or a

> threat to proceed to redress past infringements or to prevent future infringements. In the case at bar, the notice of opposition merely seeks to prevent the registration of the proposed mark."

Now, although the only issue involved in an opposition is the applicant's right to *register* the opposed mark, his right to *use* it not being involved, nevertheless, an opposer, basing his opposition on a mark of his own, *must allege* confusion arising out of the applicant's use of the opposed mark, saying to the Patent Office in effect: "If you had fully apprehended the facts you would not have passed the applicant's mark for publication, but would have refused registration under section 2 (d) of the Act on the ground that his mark so resembles mine as to be likely, when applied to his goods, to cause confusion, mistake or to deceive purchasers". In other words, although an opposer's purpose is to forestall *registration* of the applicant's mark, the only way he can effectuate that purpose is by persuading the Patent Office to refuse registration on the statutory ground that confusion would result from use of the opposed mark. Confusion in trade must, therefore, be pleaded if a notice of opposition is not to be dismissed as fatally defective.

In *Mishawaka Rubber & Woolen Mfg. Co.* v. *Bradstone Rubber Co.*, 109 F. 2d 219, CCPA, February 5, 1940, the Examiner of Interferences had said (p. 221):

> "There remains to consider the language found in the confusion-in-trade clause. Inspection of the allegations contained in the notice of opposition fails to show that it is there alleged that the mark used by the opposer and that used by the applicant would conflict in any way if both were used in trade, by way of confusing purchasers, or that they would be likely to do so . . .. The notice of opposition is therefore dismissed".

The Examiner was affirmed by the Commissioner, who, in turn, was affirmed by the Court of Customs and Patent Appeals which found the notice "fatally defective" (p. 222). The *Mishawaka Rubber & Woolen Mfg. Co.* case arose, it is true, under the 1905 Act, but the confusion-in-trade provisions of the 1905 and 1946 Acts are not materially different. The 1905 Act prohibited the registration of marks

> which so nearly resemble a registered or known trade-mark owned and in use by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers . . . Sec. 5 (b).

The 1946 Act prohibits the registration of a mark

> which so resembles a mark registered in the Patent Office or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of the applicant, to cause confusion or mistake or to deceive purchasers . . . Sec. 2 (d) (15 U. S. C. 1052).

Hence under the 1946 Act, as well as under the 1905 Act, an opposer relying on his own prior mark must allege that the *use* of the applicant's mark on his goods is likely to cause confusion or mistake or to deceive purchasers.

Thus, if petitioners are right, an opposer is faced with a dilemma: if, in his notice of opposition, he alleges confusion in trade arising out of the applicant's use of the opposed mark, he is liable to a declaratory judgment action; if on the other hand, he omits this allegation, his notice of opposition is fatally defective and will be dismissed. Respondent in opposing the registration of petitioners' mark was exercising the statutory right and duty of an opposer to determine the registrability of a mark

confusingly similar to his own. If in the exercise of this statutory right and duty an opposer makes himself liable to a declaratory judgment action at the instance of the applicant, the intent of the statute may well be frustrated. We cannot believe that Congress intended such a liability to be created.

For an opposer serves as an invaluable voluntary aid to the Patent Office in keeping unregistrable marks off the register. He performs this arduous and often costly public service in the not unreasonable hope that he may thereby save himself the even more arduous and more costly misfortune of a future suit for infringement at the instance of the applicant become registrant. That he should be encouraged in his praiseworthy efforts to protect the register seems clear, but the judgment of the District Court was hardly calculated to do that. If, in an attempt to avoid future litigation, the opposer is faced with the clear and present danger of a declaratory judgment action the moment he files his notice of opposition, he may think twice before he files it. Under such circumstances he would be well-advised to hold his peace altogether—and that, we submit, is precisely what he would do, thereby depriving the Patent Office of his useful, if hardly disinterested, services. This would be a pity.

DECLARATORY JUDGMENT OUGHT NOT TO BE USED TO CIRCUMVENT THE STATUTORY ACTIVITIES OF ADMINISTRATIVE AGENCIES.

Petitioners in their declaratory judgment action asked the District Court to decide one of the basic issues of the opposition: the confusing similarity of the parties' trade-marks. The judgment of the District Court, although not binding on the Patent Office (*Van Camp Sea Food Co.* v. *A. B. Stewart Organizations,* 50 F. 2d 976, 978; *Postum Cereal Co.* v. *California Fig Nut Co.,* 272 U. S. 693, 699), would, nevertheless have been *res adjudi-*

cata in the ensuing action under R. S. 4915, which petitioners forced respondent to bring. *McNamara* v. *Powell Muffler Co.,* 38 F. Supp. 180. (See opinion of the Court of Appeals, R. 119, 5th paragraph.) In effect, therefore, the District Court was asked to oust the jurisdiction of the Patent Office, a jurisdiction bestowed by Congress under the Trade-Mark Act of 1946. Review of oppositions by the federal courts is provided for by an action *de novo* under R. S. 4915, but not until the Patent Office has rendered its decision (15 U. S. C. 1071).

Although we have been able to find no previous case in which a federal district court had been asked to usurp the jurisdiction of the Patent Office in a trade-mark opposition, there are decisions in cases involving factually analogous situations which indicate quite clearly that the federal courts are without jurisdiction to do what the District Court attempted to do.

Borchard, in *Declaratory Judgments,* Second Edition, 1941, page 878, states the general rule:

> "The declaratory judgment cannot and is not designed to cut down the statutory requirements for administrative review."

This rule has been applied in the following cases:

Miles Laboratories v. *Federal Trade Commission, et al.,* 140 F. 2d 683, 685, App. D. C. Feb. 7, 1944. Here the Federal Trade Commission having reached the tentative conclusion that Miles' advertising material failed to reveal that its preparations, if used by individuals in excess of the dosage recommended, might result in harm to the users, proposed that Miles agree by stipulation to revise its advertising matter along lines suggested by the Commission. This Miles refused to do and thereupon sought a declaration as to the limits of the Commission's authority to dictate and control the content of Miles' label-

ing and advertising. The District Court dismissed the complaint on the ground that it was without jurisdiction of the subject matter and the Court of Appeals affirmed, saying, inter alia:

> "Certainly, there can be no contention that the Commission is without statutory authority to issue a complaint when it 'has reason to believe' that someone is using misleading matter in the advertising and sale of its medicinal products—for the Act specifically so provides. Whether, having issued a complaint and held a hearing, its decision on the facts or on the law is correct is a question which cannot be challenged in a District Court, either before or after the event, for in such case an appeal to an appropriate court of appeals is made the exclusive remedy.
>
> * * * * *
>
> ". . . it has been held so often as not to require citation of authority, that for a Federal Court to assume the right to suspend the Commissioner's investigation, while it determines controversial questions of law or fact, would be a clear assumption of power it does not possess. *The administrative remedy which Congress has provided must be first exhausted.* To hold otherwise, the Supreme Court has recently and explicitly said,
>
> > '. . . would . . . in effect substitute the District Court for the Board as the tribunal to hear and determine what Congress declared the Board exclusively should hear and determine in the first instance.'
>
> * * * * *
>
> ". . . we have no occasion to examine or weigh questions of fact or law, since they are in the first instance within the exclusive jurisdiction of the Commission and its decision when made is subject to challenge

only as provided in the Act; nor is there anything in the Declaratory Judgment Act which changes this result or creates new rights or increases or extends the jurisdiction of the courts . . .

"We are, therefore, of opinion that the District Court was in all respects correct in holding that it lacked jurisdiction of the subject matter of the complaint." (Italics ours.)

The instant declaratory judgment action is not one against the Commissioner of Patents himself; nevertheless, plaintiffs are seeking, in effect, to circumvent the statutory activities of that administrative official by asking this Court to decide, in an action *de novo*, the issue presented for administrative determination. Both the District Court and the Court of Appeals in the *Miles Laboratories* case held that the trial court lacked jurisdiction of the subject matter of the complaint. We think that the rationale of that decision compels a similar conclusion here.

Aircraft & Diesel Equipment Corp. v. *Hirsch, et al.*, 331 U.S. 752, June 16, 1947. The facts of this case are briefly summarized in the head note (753) following the syllabi:

"While proceedings were pending in the Tax Court for redetermination of excessive profits determined by the Secretary of War and the War Contracts Price Adjustment Board to have been realized by a subcontractor on production of war equipment, the subcontractor sued in a Federal District Court for a declaratory judgment that the Renegotiation Acts are unconstitutional and for an injunction against further proceedings thereunder. The District Court dismissed the suit. 62 F. Supp. 520. On appeal to this court affirmed, p. 781."

This Court held that the action was premature and that the administrative proceeding before the Tax Court should have been exhausted before judicial intervention was sought. The Court said (767):

> "The very purpose of providing either an exclusive or an initial and preliminary administrative determination is to secure the administrative judgment either, in the one case, in substitution for judicial decision or, in the other, as foundation for or perchance to make unnecessary later judicial proceedings. Where Congress has clearly commanded that administrative judgment be taken initially or exclusively, the courts have no lawful function to anticipate the administrative decision with their own, whether or not when it has been rendered they may intervene either in presumed accordance with Congress' will or because, for constitutional reasons, its will to exclude them has been exerted in an invalid manner. To do this not only would contravene the will of Congress as a matter of restricting or deferring judicial action. It would nullify the congressional objects in providing the administrative determination."

And again (773):

> "Where the intent of Congress is clear to require administrative determination, either to the exclusion of judicial action or in advance of it, a strong showing is required, both of inadequacy of the prescribed procedure and of impending harm, to permit short-circuiting the administrative process. Congress' commands for judicial restraint in this respect are not lightly to be disregarded."

The Court concluded (781):

> "To countenance short-circuiting of the Tax Court proceedings here would be, under all the circumstances

> but more especially in view of Congress' policy and command with respect to those proceedings, a long overreaching of equity's strong arm."

In the instant case the Patent Office stands in the position of the Tax Court in the *Aircraft & Diesel* case. To paraphrase this Court's language in that case: To countenance short-circuiting of the Patent Office proceeding here would be, under all the circumstances but more especially in view of Congress' policy and command with respect to those proceedings, a long overreaching of equity's strong arm.

PETITIONERS' FALLACY.

Petitioners, in petition and brief, repeatedly beg the question, *assuming* a charge of infringement and a threat of suit, then arguing that the assumed threat created an actual controversy justiciable under the Declaratory Act. This fallacy permeates and invalidates petitioners' thesis. We will cite a few instances (though by no means all) of petitioners' confused reasoning.

On page 5 of their brief, under Reason 4, lines 12-17, they write:

> "As a result of the allegation in the notice of opposition, which may be based on the flimsiest facts, the applicant's business is seriously threatened and, although put on notice of infringement, the applicant, by the decision under review, is left without recourse to adjudicate the controversy even though damages may be accruing."

This assumes a non-existent threat to applicant's business; it assumes a "notice of infringement" where none exists. If damages "may be accruing" that is too bad, but they might also have been accruing had opposer kept his peace.

Declaratory judgment can be availed of only in cases of actual controversy within the jurisdiction of the court. Unuttered threats, existing only in the fancy of one who believes himself threatened, do not create an actual, justiciable controversy.

On page 12 of their brief, last paragraph, petitioners write:

> "Petitioners know of no case, since the Declaratory Judgment Act was passed, except the instant case, where an actual controversy existed and one party was effectively denied access to any and all tribunals capable of settling the controversy."

What controversy? Petitioners were *not* "denied access to any and all tribunals" capable of settling the only existing controversy—their right to register. As a matter of fact one tribunal, the Patent Office, to which petitioners had ready access, decided the controversy in their favor.

Again, on page 14 of their brief, lines 14-16, they write:

> "There is no basis for excluding charges of infringement made in opposition proceedings from the Declaratory Judgment Act".

But no charges of infringement *are* made in opposition proceedings, which, by petitioners' own assertion on page 14 of their brief, "do not concern any question of infringement."

The only real argument advanced by petitioners in support of their major contention is found on page 10 of their brief under Proposition I where the confusion-in-trade allegations are compared with the statutory definition of infringement. It is true that the language of Section 2 (d) of the Trade-Mark Act reciting certain negative tests of registrability parallels to some extent the language of Sec-

tion 32 (1) which defines infringement. Thus the former interdicts the registration of

> a mark which so resembles a mark registered in the Patent Office or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of the applicant, to cause confusion or mistake or to deceive purchasers, . . . (15 U. S. C. 1052).

while the latter declares that

> Any person who shall, in commerce, (a) use, without the consent of the registrant, any . . . colorable imitation of any registered mark in connection with the sale offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; . . . shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided, . . . (15 U. S. C. 1114 (1)).

Thus it becomes necessary to examine the context of the language in order to determine its effect. Petitioners ignore this necessity. On page 10 of their brief they write:

> "Clearly, if the statements made by Respondent [in the notice of opposition] are proved, Petitioners are liable. Therefore, the statements obviously establish a charge of infringement. It is neither just, fair, nor equitable for Respondent to make its charge and not be subject to the Declaratory Judgment Act, 28 U. S. C. Section 2201, which is specifically applicable to 'actual controversies'."

Here again the petitioners beg the question. *Proof of the statements in the opposition would not make petitioners liable for infringement.* The allegations of the notice chal-

lenged petitioners' right to *register* their mark and were derived from Sections 2 (d) and 13 of the Act (15 U. S. C. 1052, 1063) not Section 32 (1) (15 U. S. C. 1114 (1)). The Court of Appeals clearly recognized the distinction between these sections, writing (R. 119-120):

> "The plaintiffs-appellees in support of their contention that the notice of opposition is a charge of infringement, insist strongly on the similarity in language between 15 U. S. C. A. sec. 1114 (1), relating to infringements, and 15 U. S. C. A. sec. 1063, relating to opposition. The argument fails to distinguish between a proceeding to register and a proceeding to redress for infringement. In a proceeding to register the right to use the mark is not involved. (*Ruth Co.* v. *Curtiss Co.*, 49 F. 2d 1133-34.)"

THERE IS NO GOOD REASON WHY THE WRIT SHOULD BE ALLOWED.

Having correctly answered the fundamental question involved here by deciding that the confusion-in-trade allegations of a statutory notice of opposition are not a charge of infringement and a threat of suit, the Court of Appeals properly found no actual controversy between the parties within the Court's jurisdiction and so ordered the District Court to dismiss the complaint. Although this appears to have been the first time an opposed applicant for registration of a trade-mark has sued his opposer for declaratory judgment, it is not the first time a federal court of appeals has considered the effect of the confusion-in-trade allegations of a statutory notice of opposition.

In *Emerson Electric Mfg. Co.* v. *Emerson Radio & Phonograph Corp.*, 105 F. 2d 908, 2d Cir., the decision turned on whether or not the plaintiff had given the defendants timely notice of its claim of trade-mark infringement. The plaintiff took the position that such notice had been given by its opposition to the registration of the defendants'

mark. But the Court, speaking through Judge Learned Hand, denied this, saying (911):

> "The case at bar therefore comes down to whether the defendants had notice of the plaintiff's claims before they had built up their business. Of these the plaintiff never advised them until it brought suit, unless it was by its opposition to the defendants' registration in 1933 of the name, 'Emerson Radio and Television', for radios and television. That opposition was not a claim to the exclusive use of the name, 'Emerson', upon radios; all that was at stake was the defendants' own exclusive right to it; if they failed, it by no means followed that the plaintiff was entitled to exclude them. Each party might be free; and by that time probably each party in fact was free, because already the defendants' business had become very substantial. Only a plain assertion that the plaintiff meant to monopolize the name, would have been notice to charge the defendants, and would have put at risk the continuance of their business. The appeal seems to us peculiarly without merit."

Thus we find the Second and Seventh Circuits in harmony on the fundamental question, each having held that the confusion-in-trade allegations of a notice of opposition are not a charge of infringement and a threat of suit. If they are not, then there is obviously no actual controversy within the jurisdiction of a federal court on which a declaratory judgment action can be predicated.

THE PETITION FOR A WRIT OF CERTIORARI SHOULD BE DENIED.

Respectfully,

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L. B. MANN,
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February, 1951.